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SENSITIVE

E.O. 12958: N/A

TAGS: [PREL](#) [KNNP](#) [PARM](#) [KN](#) [IR](#)

SUBJECT: DESIGNATION OF IRAN'S DEFENSE INDUSTRIES
ORGANIZATION UNDER E.O. 13382

[¶1.](#) (U) This is an action request. Please see paragraph
[¶4.](#)

OBJECTIVES

[¶2.](#) (SBU) Washington requests that addressees notify host government officials not earlier than 10:30 a.m. EST on Friday, March 30, 2007 that the United States is designating Iran's Defense Industries Organization (DIO) under E.O. 13382 ("Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters") on Friday, March 30, 2007. This information is embargoed until after the designation has been publicized in the United States. This designation is aimed at protecting the U.S. financial system from financial activity supporting ongoing proliferation facilitated by DIO. Addressees are requested to provide the nonpaper in paragraph 4 to host government officials.

REPORTING DEADLINE

[¶3.](#) (U) Posts should delay delivery until after public announcement of the designation in the U.S., which will occur at 10:30 a.m. EST on Friday, March 30, 2007. Please report delivery of the U.S. nonpaper and any immediate response by April 6, 2007. Please slug replies for ISN, T, TREASURY, EUR, EAP and NEA. Please use SIPDIS caption on all responses.

BACKGROUND/NONPAPER

[¶4.](#) (U) Begin text of background/nonpaper:

The U.S. would like to inform your government that on Friday, March 30, 2007, the U.S. Department of State is designating Iran's Defense Industries Organization pursuant to Executive Order (E.O.) 13382 ("Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters and at prohibiting transactions and trade between those designated entities and banks in U.S. jurisdiction.

The following information will be added to The Department of the Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the Federal Register pursuant to Executive Order 13382.

-- DEFENSE INDUSTRIES ORGANIZATION (a.k.a. DEFENCE INDUSTRIES ORGANISATION; a.k.a. DIO; a.k.a. SASEMAN SANAJE DEFA; a.k.a. SAZEMANE SANAYE DEFA; a.k.a. "SASADJA", P.O. Box 19585-777, Pasdaran Street, Entrance of Babaie Highway, Permanent Expo of Defence Industries Organization, Tehran, Iran [NPWMD])

In addition to being listed in the Annex of UNSCR 1737, DIO was sanctioned previously by the United States for WMD- or missile-related activities under the Iran and Syria Nonproliferation Act (ISNA), the Arms Export Control Act, and the Export Administration Act.

DIO has also been identified by the IAEA as involved in centrifuge component production for Iran's nuclear program. A June 2004 report from the Director General of the International Atomic Energy Agency (IAEA) on Iran's implementation of IAEA resolutions noted that Iranian authorities acknowledged, during the course of IAEA verification activities during 2004, that composite rotors for use in P-2 centrifuges had been fabricated in a workshop situated on a DIO site.

This action helps implement the legal obligation set forth in UNSCR 1737 for countries to freeze the assets of entities and individuals named in the Annex of the resolution, thereby undermining the organization's ability to support Iranian proliferation activities.

We urge your government to investigate financial relationships and transactions in which designated Iranian proliferation entities have an interest. Where it is suspected that these relationships and transactions may be facilitating Iran's proliferation activities, we urge you to cease dealings with the entities in question.

We look forward to working with you on this and other related security matters and are prepared to provide additional assistance as appropriate.

End background/nonpaper.

POINT OF CONTACT

15. (U) Questions may be directed to ISN/CPI (Jennifer Chalmers, 202-647-0186, or Anthony Ruggiero, 202-647-5181).

16. Minimize considered.
RICE

NNNN

End Cable Text